

# Housing Analysis

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# Housing Analysis of Conditions and Issues

This section of the comprehensive plan summarizes community demographics, housing conditions and needs, and housing assistance programs used by the Eau Claire Housing Authority. Further detail on these subjects can be found in the *Eau Claire Consolidated Plan for Community Development Block Grant, HOME and Housing Programs, 2000-2004*.

## Major Housing Issues

1. **Rental Housing Supply:** What should the City do, if anything, to increase the supply of lower-cost rental housing, especially with more than two bedrooms?
2. **Diversity and Design:** To what degree is a diversity of housing types desirable within single neighborhoods? Could design standards help to create a compatible mixture of housing types and densities? Should the greatest variety of housing types be concentrated around commercial nodes?
3. **"Upper-Bracket" Housing:** Should the City make special efforts to attract new housing with sale prices over \$200,000?
4. **Infill Standards:** Should design standards be developed for new infill housing in existing older neighborhoods? These might include basic criteria such as similar setbacks, building massing and garage placement.
5. **Preservation of Existing Housing:** How can the city's existing housing stock best be preserved and upgraded? Are additional incentives needed to stimulate private sector investment in housing in the city's older neighborhoods?
6. **Updating:** How can Eau Claire's large stock of 1950s and 1960s single-family houses best be updated to meet current market needs and ensure the continued viability of their neighborhoods.
7. **Zoning Flexibility:** Should the city's zoning code be made more flexible to accommodate a greater variety of housing types and site designs?
8. **Public Housing Assistance:** Should the City put more of its own money into rent assistance and scattered-site public housing?

## Demographic Conditions

### Growth in Households

Eau Claire has seen steady and consistent growth over the past forty years. This growth can be largely attributed to continued strong enrollments at the campuses of the University of Wisconsin Eau Claire and Chippewa Valley Technical College, the expansion of local hospitals clinics, the growth of businesses serving an expanding regional market, and the attraction of new companies to the area.

A similar rate of growth is forecast to continue for the next two decades,. As the City is expected to add about 3,000 households every ten years.

**Table 11-1**  
**Forecast of Households, Population and Jobs, City of Eau Claire,**  
**1990 - 2025**

	1990	2000	2005	2010	2015	2020	2025
Households	21,118	23,346	25,300	26,700	28,200	29,800	31,400
Persons / HH	2.69	2.38	2.37	2.35	2.34	2.33	2.32
Population	56,856	61,704	59,961	62,745	65,988	69,434	72,848

### Persons per Household

The average number of people per household is forecast to continue to decline slightly, as is the case in most American communities, although there will continue to be a demand for rental housing units with two or more bedrooms and for-sale housing with three or more bedrooms. The presence of the university and the technical college contribute to the City's relatively small average household size (2.38 persons per household compared to 2.61 for Wisconsin).

### Age of the Population

As the Baby Boom population ages, the number and percentage of people in Eau Claire aged 65 or older will continue to increase through the year 2025. This change will have an effect on housing demand. There will be a need for more specialized apartments and single-level townhouses, along with nursing homes. "Empty-nester" households will gradually move out of their multi-bedroom detached house and seek alternative types of shelter, especially with services. A variety of assisted living housing arrangements will likely be created to serve this large market.

### Income

Average and median household incomes in Eau Claire are low compared to those of the state or the county. Approximately 41 percent of Eau Claire household earn less than 80 percent of the county median household income. Likewise, per-capita income in Eau Claire is lower than most comparably-sized Wisconsin

cities. However, since 1990, incomes in Eau Claire have been rising faster than those in comparable cities.

Census tracts with median household incomes less than 80 percent of the city's median were located in and around the downtown and the University campus, in part because of the student population.

## **Racial and Ethnic Minority Groups**

Only about 4 percent of the population was a member of a minority group in 2000, up from 1.5 percent in 1980, but the growth seems to have leveled off.

Nearly half of the minority group population are from the Hmong tribes of Laos, either immigrating from refugee camps in Thailand or making a secondary migration from other areas of the country. Eau Claire has one of the highest proportional Hmong populations in the US. These populations were originally concentrated near the downtown but are moving into other parts of the city as they gain education, job skills and income. A high percentage of the Hmong own houses at the present time.

## **College Students**

College and university students are another group with significance to their housing situation as over half of the enrollment lives off-campus. Although some of these students occupy older, lower-cost housing, they are not expected to be chronically lower income because of their college education. The students compete with other lower-income households for shelter.

## **Employment**

Employment in the Eau Claire Metropolitan Statistical Area, like the population, has grown at a steady rate. Between 1990 and 1999, 17,000 new jobs were added to the metropolitan economy. The service and retail industries added the most jobs, reflecting the area's growing importance as a regional shopping center. The manufacturing sector rebounded nicely from its losses in the 1980s, adding 2,700 jobs, an increase of 24 percent during the 1990s.

Eau Claire has experienced significant growth in the "high tech" industry. A 1999 study by the Milliken Institute of Santa Monica, California, ranked the Eau Claire area as the 11<sup>th</sup> fastest growing technical manufacturing area from 1978 through 1998 out of 315 metro areas nationwide.

The unemployment rate in the Eau Claire MSA decreased during the past decade, hitting a record low of 2.2 percent by 1999. This low rate has resulted in some employers having difficulty filling positions, especially in lower-paying service and retail jobs.

While total employment has continued to expand, much of the expansion has been in sectors with lower-paying wages. However, the percentage of households earning less than \$20,000 decreased from 34 percent to 31 percent

between 1996 and 1999. A 1999 report released by the US Bureau of Labor Statistics showed the average annual pay of the Eau Claire MSA increasing 6.2 percent from 1997 to 1998, the largest jump of any Wisconsin MSA. Economic development professionals in the area are now focusing efforts on assisting those companies that tend to pay higher wages so that the city will see an even more dramatic increase in wages in the future.



**Stately older homes such as this one can be found in several neighborhood near the Downtown.**

## Housing Demand

The demand for housing in Eau Claire continues to be strong, as evidenced by the steady number of new housing starts, low vacancy rates, and the upward movement of rents and sales prices. The private market has been responding to this demand. Between 1980 and 1989, Eau Claire gained an annual average of 129 housing units, while during the 1990s the annual average was 173. The first three years of this decade saw an annual average of 268 new units.

**Table 11-2**  
**Development Activity Since 1980, Annual Averages**

	1980-1989	1990-1999	2000-2002
New Single-Family Houses	102	152	171
New Multiple-Family Units	156	195	366
Subdivisions	4.3	5.3	7.6
Acres Annexed	147	179	117
Permits for Commercial or Office Buildings	63	88	94
Permits for Industrial or Warehouse Buildings	14	29	27
Permits for Public or Semi-Public Buildings	18	29	32

Source: City of Eau Claire

**Housing for Low- and Moderate Income Households:** Even with these new units, the choices available to low- and moderate-income households continued to be limited. In 1998, the average sale price of a house in Eau Claire was almost \$98,000. Lower-cost houses are available, but they are often in need of major repair. Rents have also increased significantly, with surveys indicating that more affordable, decent rental may be needed.

**Attached and Rental Housing Starts:** It is notable that 56 percent of all new housing constructed in Eau Claire since 1990 has been duplex or other multiple-family buildings. The addition of these units should help relieve some of the cost pressure on rental housing, since most units in multi-family buildings are rental in Eau Claire. However, since the overall vacancy rate is low, the effect has probably been to mitigate what would have been an even greater increase in housing costs.

In addition, the range of choice in style, quality and cost in the rental and multi-family housing in and around Eau Claire is very limited, leaving this as an undesirable choice for many households.

Still, **the most significant housing problem in Eau Claire is the need for very low cost housing units**, especially with two or more bedrooms, that are decent, safe and sanitary. The housing construction industry has been creating units for those who can pay high rents, but not enough older units have been made available to keep pace with the demand. The public and the not-for-profit private sectors have not been able to make up the difference.



**The private market provides a wide variety of ages, styles and prices for housing in Eau Claire for buyers from moderate to upper income levels. Choices are much more limited at the lower price points for both buyers and renters.**



# Housing Conditions

## Age of Housing

The owner-occupied housing stock of Eau Claire has been constructed proportionate to households growth over the years. The largest portion of owner units were, however, constructed in the 1950s, 1970s and prior to 1940. The majority of rental housing was built either prior to 1940 or after 1970. Thirty-four percent of the rental units were constructed since 1980.

## Housing Cost

The cost of housing in Eau Claire, while still significantly lower than in major metropolitan areas such as the Twin Cities, has risen dramatically since 1980. Since 1980, the average price of new housing has increased by 152 percent while the average price of all single-family housing has more than doubled to \$97,900. Unfortunately, this problem affects certain households in disproportionate numbers:

- Single-parent families
- The elderly
- The handicapped
- The disabled
- Members of minority groups, especially Southeast Asians

Census data support the well-known fact that households in the lower income brackets tend to pay a higher percentage of their incomes for housing than do households in the higher brackets. It is not uncommon for households in the lowest quarter of the income scale to pay 35 to 50 percent of their gross income for rent.

Rental rates have risen in similar fashion, in part because the local housing construction industry has not kept up with the population and economic growth.



**The supply of attached housing increased rapidly in Eau Claire during the 1990s.**

## **Structural Conditions**

Stabilizing and improving the housing stock is a major issue in Eau Claire because of the large number of older units. Fortunately, a 1998 exterior conditions survey revealed some improvement in the situation since the prior survey in 1992, but the survey methods may not have been consistent.

This most severely affects households of low and moderate income who can least afford sound housing and are forced to rent rather than own. Housing deterioration tends to be concentrated in the older, central neighborhoods although there are scattered instances of physical problems in every Census Tract.

## **Overcrowding**

The extent of overcrowding in rental housing has increased. The problem is most severe among the lower-cost rental units, which tend to be occupied by households of very-low (under 50 percent of the median) and low income (under 80 percent of the median).

The supply of very large (three or more bedrooms) housing units that are affordable to low- or moderate-income households is shrinking because of demolitions. Newer houses with four or five bedrooms are too expensive for those need, low-income households. Thus, large low-income households are forced into overcrowded situations.

Further evidence of this is that searches of six months or longer are common by large families with rent vouchers or certificates.

## **Upper-Cost Housing**

The City of Eau Claire has been capturing a progressively smaller share of the most expensive housing built in the metropolitan area. Much of that portion of the housing market has been going to locations outside the City, such as northern Washington Township, western Seymour Township or Pleasant Valley Township. Those areas have attractive wooded lots desirable by households that wish to build a house in the \$250,000 to \$750,000 range.

It is in the interest of the City of Eau Claire to capture such housing not just for the tax base it provides but also, and perhaps more importantly, for the potential civic support of the household members. It is important to avoid creating an “us versus them” mentality in which the most affluent members reside outside the City and the moderate and low income live in the City. The highly educated professionals, executives and business owners who can afford the best housing are needed to help guide the City toward its best possible future.

Thus, the City needs to diversify and expand its housing stock on both the upper end of the spectrum.

# Housing Assistance Programs

## Housing Assistance Programs and Inventory

The assisted housing inventory in Eau Claire is summarized by the following table.

**Table 11-3**  
**Assisted Housing Inventory**

<b>Category</b>	<b>Number of Housing Units</b>
Public Housing	110
Section 221(d)3	100
Section 8 New Construction	638
Rent Assistance	
Section 8 Existing Housing Certificates or Vouchers	373
Section 236	64
Section 202	81
1999 HOME Tenant-Based Rental Assistance	37
CDBG Homeownership Programs	11

## Rental Assistance Programs

The Eau Claire Housing Authority administers federal rent assistance programs as listed below.

**Table 11-4**  
**Rental Housing Assistance Programs, 2003**  
**Housing Authority of the City of Eau Claire**

<b>Project / Location</b>	<b>Property Ownership</b>	<b>Number of Units</b>	<b>Elderly</b>	<b>Family</b>	<b>Handicap Accessible Units</b>
Park Tower Apts and Townhouses (Sec.8)	Housing Authority	152	122	30	15
Owen Rust Apartments (Sec.8)	Housing Authority	23	23	0	2
Public Housing (Scattered Sites)	Housing Authority				
Duplexes		68	0	68	3
Single-Family		41	0	41	1
Substantial Rehabilitation	Housing Authority	8	0	8	2

<b>Project / Location</b>	<b>Property Ownership</b>	<b>Number of Units</b>	<b>Elderly</b>	<b>Family</b>	<b>Handicap Accessible Units</b>
Voucher Program Rental Assistance (Scattered Sites)	Private Landlords	384	69	315	0
Portable In-Coming Vouchers	Private Landlords	60	4	56	0
Homeownership Program	Housing Authority	12	0	12	0
HOME Tenant Based Rental Assistance (HOME)	Private Landlords	42	12	30	0
<b>TOTAL</b>		<b>790</b>	<b>230</b>	<b>560</b>	<b>23</b>

Source: Housing Authority of the City of Eau Claire, 2003.



**The Eau Claire Housing Authority provides low-cost housing for needy individuals.**

## **Housing Needs**

The Eau Claire housing stock is suitable for many groups of people because it is highly varied, having been created over the decades by many builders. The stock is most amenable to households, including those with children, who can afford to buy a single-family house at market prices. However, there is also a good supply of apartments and converted houses that are rented to young single and couples, college students and lower-income families or households.

However, there are several population groups that struggle to find suitable housing that they can afford in Eau Claire. The portions of the Eau Claire population that have special needs are listed below.

### **The Homeless**

The homeless and those threatened with homelessness, after receiving emergency housing assistance, have difficulty making the transition to permanent housing. There is an insufficient number of temporary shelter beds, particularly for homeless families, in Eau Claire. There are also not enough decent low-cost housing units for these people. Consequently, there is overcrowding, frequent change and great insecurity.

### **Large Families**

The housing stock is least suited to large, low-income families who need four or more bedrooms. Very large units are most often found in the more expensive single-family houses, which are out of the financial reach of such families.

### **The Chronically Mentally Ill**

This portion of the population needs several kinds of help, housing being one of them. There are not enough low-cost housing units for this population, particularly not housing units with supervision or help.

### **People with Physical Disabilities**

A portion of the assisted housing in Eau Claire are designed and reserved for this population but it is estimated that the need is greater than the supply.

### **The Frail or Low-Income Elderly**

With the trend toward longer lives, it can be expected that an increasing percentage of the population will encounter the types of physical, social psychological or economic conditions that make continued independence more difficult but for which institutional care is expensive and not appropriate. It would be helpful if the housing needs of these people could be met through programs that keep them safely in their homes as long as possible.

The elderly who can no longer maintain a single-family house and may need daily assistance and companionship are seeing some increase in choices in this

community because of the recent new construction of a number of housing complexes. Keeping this growing segment of the population in their homes and providing in-home assistance may be an effective approach to containing housing costs for this group.

### **People with AIDS**

The difficulty of obtaining safe, affordable housing is compounded when someone has AIDS or HIV disease. It is assumed that there is much discrimination against this population when it comes to obtaining and keeping rental housing, and the lack of adequate housing often prevents their timely discharge from acute care facilities. It may also force them into shelters for the homeless or to move into unstable or unsafe environments.

### **Top-Priority Housing Needs**

The greatest housing needs in Eau Claire are listed below, as identified by the *Consolidated Plan for Community Development Block Grant, HOME and Housing Programs 2000 – 2004*.

1. Rental subsidies
2. Housing rehabilitation
3. Assistance for people with special needs
4. Homeownership assistance
5. Reduction of lead paint hazards
6. Code enforcement to improve housing conditions and community appearances.

## Barriers to Affordable Housing

This section summarizes the barriers to affordable housing, impediments to fair housing choice and the opportunities created by the local market for producing rental housing, promoting new homeownership, alleviating overcrowding, and meeting the needs of underserved populations.

### Impediments to Decent, Affordable Housing

- **Rent levels** affordable by the low-income population are not sufficient to support rehabilitation
- The **cost of building new housing** (whether for-sale or for-rent) exceed what some segments of the population can afford.
- **Strong demand** for housing in Eau Claire keep purchase prices and rents up, particularly in the better neighborhoods.
- **Some affordable housing is being lost** because of flooding, business expansion, road building, redevelopment projects and/or simply age and neglect.
- The **conversion of large single-family houses to apartments** reduces the supply of large units and increases overcrowding.
- Some **people of color may feel alienated** from living in housing that they can afford located in all-white neighborhoods.
- **Federal Fair Market Rents** limit the choice of Section 8 participants to housing in older neighborhoods.

### Opportunities for Affordable Housing

- Eau Claire has a well-maintained **supply of large, older single-family houses** that are amenable to rehabilitation.
- **New single-family development** on the fringes of the community is continuing to create opportunities for resale of older houses to moderate-income households.
- Housing **costs in Eau Claire are relatively low**.
- Eau Claire is a **community concerned** about its members.
- Eau Claire has a good system of city and county **government** along with a small network of **private social service and non-profit housing providers**. Together, these organizations can address many of the community's housing problems, which are not as unmanageable as those in some large communities.

## Needs of the Homeless

Estimates of the number of homeless in Eau Claire vary from one source to the next. Variances seem to depend on the amount of exposure each source has with the problem and how one defines homelessness. The estimated number of people homeless over the course of a year in Eau Claire varies from 50 to 400, although most estimates are from 50 to 100 persons per year. The problem is certainly greater than presented by the 1990 Census, which counted only nine homeless people on a particular day. There seem to be as many homeless families with children as single homeless individuals in Eau Claire.

Nearly all of the homeless in Eau Claire are sheltered but the security and quality of that shelter varies. Many homeless are in a highly transitory situation, moving from the residence of one friend to the next, perhaps turning up at a social service agency seeking help. Some people have housing that is in such poor condition or so cramped that it is only slightly better than nothing. There are few if any homeless people living outdoors.

The consensus of representatives of agencies serving the homeless is that there is much unmet need. Eau Claire needs more temporary shelter for homeless individuals and families with children, especially for those with special problems beyond unemployment such as domestic abuse or recent release from prison or a mental health institution.

In 1997 the Housing Authority of the City of Eau Claire invited several housing and social service agencies to join a Continuum of Care group which meets several times each year. This group shares ideas, identifies needs and sets agendas to address housing and homeless needs in Eau Claire.

### Subpopulations

Bolton Refuge House (domestic abuse help) reported that it sheltered 133 families (composed of 256 people) plus 129 individual youth and 127 individual adults in 1998. Northwest Wisconsin AIDS Project estimated that none of its clients were homeless. Western Dairyland received 492 requests for housing assistance in 1998. However, this number was undocumented as to the nature of the household or the need. At the present time, means of preventing double-counting are not being used.

### Needs of People Threatened with Homelessness

Every household with an income less than 50 percent of the community's median can be said to be threatened with homelessness because they would be paying a high percentage of their income for rent. In Eau Claire, this would amount to 5,209 households or 24 percent of all households in the community. Of these, 3,934 are renters. Since 1996 the City of Eau Claire has seen many families incomes affected by the implementation of Wisconsin's W-2 Welfare Reform.

Groups of people threatened with homelessness in Eau Claire include:

1. Those Being Released from Institutions
2. Young Adults and Youth
3. Workers Moving from High-Paying to Low-Paying Employment
4. Victims of Domestic Abuse
5. Displaced by Lead Hazards

### **Facilities and Services for the Homeless**

There is a general consensus that the facilities and services available in Eau Claire for the homeless do not meet the needs of the community. For example, it was reported in 1998 that for every family assisted at the Haven Homeless Shelter, three are turned away. This condition may be somewhat mitigated in the three year period from 1999 – 2002 as the Continuum of Care grant received in 1999 begins to make progress assisting the City's homeless population.

The following facilities provide shelter for the homeless in Eau Claire. In addition, some of the facilities listed in the following table, Facilities for Persons with Special Needs, provide shelter and other help to people who might otherwise, but not specifically, be homeless, or at least threatened with homelessness.

- Interfaith Hospitality Network
- Bolton Refuge House
- Western Dairyland Economic Opportunity Council, Inc.
- Housing Authority of the City of Eau Claire
- Northwest Wisconsin AIDS Project (NOWAP)
- Lutheran Social Services
- Wisconsin Department of Corrections, Division of Probation and Parole
- Eau Claire Department of Human Services
- The Salvation Army

### **Obstacles**

There are very few obstacles to addressing the needs of the homeless other than insufficient funding. This funding obstacle may be overcome in part due to the large amount of Continuum of Care funding recently received from HUD. The City of Eau Claire also has tentative plans to fund a portion of the rehabilitation costs of a permanent homeless shelter site for Interfaith Hospitality Network. This shelter will provide emergency shelter services for families with children and single unaccompanied women.

### **Goals**

The goals of the City of Eau Claire are to continue to support the efforts of the Eau Claire Area Continuum of Care. The City of Eau Claire, through its various programs, anticipates serving 50 homeless families over the next five years.

**Table 11-5**  
**Homeless Gaps Analysis – Individual Persons**

<b>Facility Type</b>	<b>Estimated Needs</b>	<b>Current Inventory</b>	<b>Unmet Needs/ Gap</b>
Emergency Shelter	22	13	9
Transitional Housing	19	21	0
Permanent Housing	4	0	4
Total	45	34	13

**Table 11-6**  
**Homeless Gaps Analysis – Families with Children**

<b>Facility Type</b>	<b>Estimated Needs</b>	<b>Current Inventory</b>	<b>Unmet Needs/ Gap</b>
Emergency Shelter	29	20	9
Transitional Housing	8	10	0
Permanent Housing	41	30	1
Total	78	60	20